

April 24, 2008

To: Leadership Council

From: David Dicks, Executive Director
Jim Cahill, Director of Accountability and Budget
Tom Eaton, Washington State Liaison, Environmental Protection Agency,
Region 10

Subject: Spending plan for the FFY 2008 Appropriation for Action Agenda
Development and Implementation

Action: Decision

Summary

The Environmental Protection Agency received \$19.68 million for development and implementation of the Puget Sound 2020 Action Agenda. A plan is proposed for action by the Council that would guide the expenditure of these funds.

Background

In the FFY 2008 federal budget the Environmental Protection Agency received \$19.68 million for "... the continued development and implementation of the Puget Sound 2020 Action Agenda." These funds can be used for grants to the Partnership under the National Estuary Program (Section 320), "as well as grants, contracts and support for other aspects of the Action Agenda." The broad language in the Omnibus budget bill allows the money to be used for grants, contracts, interagency agreements or direct EPA staffing in support of the Action Agenda. Grants provided to the Partnership under the National Estuary Program will require a 50% non-federal match. This match can be either a financial or in-kind match. Direct grants by EPA to other federal agencies do not require a corresponding match.

The Puget Sound Partnership's Leadership Council must endorse a spending plan before it becomes final. The following general plan is proposed for adoption by the Leadership Council.

Proposal

1. **Action Agenda Development (\$1.1 million)** The Action Agenda, which will be completed by December 1, 2008, will serve as an update/replacement for the 2007-09 Puget Sound Comprehensive Conservation and Management Plan. EPA expects the Puget Sound Partnership (PSP) to use the base NEP grant of roughly \$600,000 to assist in the development of the Action Agenda. Depending upon the total costs of the Action Agenda, additional funds, up to \$500,000 may be needed. These funds will be matched by an equal amount of state funding available to the Partnership.

2. **Strategic Science Plan (\$250,000)** The Science Panel is responsible for developing an Ecosystem Strategic Science Program that identifies monitoring, modeling and research needs related to the Action Agenda. Funding is provided to help cover the costs for developing the science program. These funds will be matched by an equal amount of state funding available to the Partnership.
3. **Near Term Science Work (\$3,500,000)** Significant science work (research, modeling, special studies) is needed in the near term to refine and focus strategies anticipated to be included in the Action Agenda. Much of this work is either currently underway or has been scoped out but not been initiated due to lack of funding. EPA and the Partnership will review current work/proposals against a set of criteria and, in consultation with the Science Panel, provide funding for critical work. Specific high priority projects likely to be funded include:
 - Research necessary to develop a successful toxics control strategy;
 - Development of models necessary to complete a nutrient source control strategy;
 - Completion of the Puget Sound nearshore general investigation;
 - Baseline monitoring for major restoration projects such as the Nisqually and Elwha rivers.

This work will be funded through grants to state agencies, and Interagency Agreements among federal agencies. Funding provided through the PSP or agency cooperative agreements will require a 50% nonfederal match.

4. **Monitoring and Data Management (\$1,500,000)** The Leadership Council is required to reporting on the health of Puget Sound through the State of the Sound Report, to track progress and insure accountability in implementing the Action Agenda, and revise Action Agenda strategies as necessary. Funding will be used to fund near term and critical work already initiated or anticipated to be included in the Action Agenda. Specific high priority projects likely to be funded include:
 - Development of a status and trend water quality monitoring plan for Puget Sound;
 - Completion of a Puget Sound water availability model.
 - Continued work on Puget Sound ecosystem models and indicators.

This work will be funded through grants to state agencies, and Interagency Agreements among federal agencies. Funding provided through the PSP or agency cooperative agreements will require a 50% nonfederal match.

5. **Tribal Support (\$2,000,000)** The Puget Sound Tribes have been actively engaged in the development of the Action Agenda. EPA will provide \$400,000 in grants to the Tribes on the Ecosystem Coordination Board as well as \$300,000 in grants to the Northwest Indian Fisheries Commission. An additional \$1.3 million will be allocated for on the ground tribal projects necessary to advance the Action Agenda. Tribal projects will also be eligible for funding from other categories of work.

6. **EPA Infrastructure and Support (\$1 million)** EPA has identified 5 FTE of staffing to carry out critical work related to the Action Agenda. This work includes grants and contract management, permitting/compliance monitoring and enforcement for federal and tribal facilities, stormwater, and intergovernmental engagement and coordination (Federal Caucus, Tribes and Canada). In addition, EPA will establish interagency agreements with other federal agencies to carry out their critical responsibilities related to the Action Agenda.
7. **High Priority Actions (\$10-12 million)** The remainder of the money will be directed to the highest priority actions listed in the Action Agenda once it is completed in December. Most likely these efforts will focus on high priority capital projects. The Partnership will develop the project list through capital project selection process discussed at the April 29 Leadership Council meeting. While it is anticipated that this money will go to the Partnership as an amendment to their Cooperative Agreement, it is also possible that EPA could administer these grants or that one or more actions could take the form of an Interagency Agreement. Nonfederal grant recipients will be required to provide a 50% nonfederal match.